

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

AM Wood Designs Inc

Maine Manufacturing Extension Partnership

AM Wood Designs Uses Lean Tools to Carve Out Profit

Client Profile:

AM Wood Designs, Inc. opened its doors in December 2000 to manufacture unfinished pine furniture products. The company, located in Bingham, Maine, currently has 12 full-time and three part-time employees.

Situation:

AM Wood Designs, struggling under a serious cash flow problem, was about to close its doors. However, the company's pipeline was full of customer orders, and the owner, Richard Casey, had faith he could pull the company through if he could increase production capacity to meet demand. Mr. Casey contacted the Somerset County Economic Development Center, which referred him to the Maine Manufacturing Extension Partnership (Maine MEP), a NIST MEP network affiliate, for assistance.

Solution:

After assessing AM Wood Design's situation, Maine MEP recommended a lean manufacturing implementation project, including 4-Cell Designs and full pull signal manufacturing, to help increase production capacity. Maine MEP began by providing lean training for AM Wood Designs. Next, Maine MEP implemented cell manufacturing and a kanban system, all without any disruption to the company's production schedule. Finally, AM Wood Designs learned about the importance of workplace organization and took a half day to clean-up and reorganize the shop floor. Since implementing lean practices, AM Wood Designs has stabilized its throughput capacity, freeing more time for housekeeping priorities. Production scheduling issues have been eliminated thanks to the kanban pull signal. Now employees understand what is expected of them and they are working smarter to achieve clear production goals.

Results:

- * Decreased shipment cycle times by 21.4 percent, from 7 days to 5.5 days.
- * Slowly improving cash flow.
- * Improved employee morale.
- * Saved 15 jobs.
- * Increased gross production by 21 percent.

Testimonial:

"With the same amount of labor and increased raw stock usage we are producing 21 percent more gross production (more than \$130,909 in gross sales annually) from the start of the project thanks to the Maine Manufacturing Extension Partnership."

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Richard Casey, Owner